

SENATE BILL 479

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 51, Part 1; Title 8, Chapter 4; Title 9, Chapter 4; Title 9, Chapter 9, Part 1 and Title 49, relative to lottery funded capital outlay projects for K-12 educational facilities pursuant to Article XI, Section 5 of the Constitution of Tennessee.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 51, Part 1, is amended by adding the following language as a new section:

Section 4-51-137.

(a) There is created a special account in the state treasury to be known as the "lottery capital outlay special account", hereinafter referred to as the "capital outlay fund".

(b)

(1) In any fiscal year in which the financial assistance program for attendance at post-secondary educational institutions located within this state is funded pursuant to title 49, chapter 4, part 9, and excess is available from net lottery proceeds for other educational purposes and projects consistent with article XI, § 5 of the Constitution of Tennessee, the general assembly may appropriate funds from the lottery for education account to the lottery capital outlay special account by specific reference to it, or by reference to the "capital outlay fund". Such appropriations shall otherwise be made in the manner required by law for appropriations.

(2) Moneys in the capital outlay fund shall be used exclusively for capital outlay projects for K-12 educational facilities in high growth rate

school districts. Such moneys shall supplement, not supplant, non-lottery educational resources for capital outlay projects for K-12 educational facilities.

(3) Moneys in the capital outlay fund may be invested by the state treasurer in accordance with the provisions of § 9-4-603.

(4) Notwithstanding any provision of law to the contrary, interest accruing on investments and deposits of the capital outlay fund shall be credited to such fund, shall not revert to the lottery for education account or the general fund, and shall be carried forward into the subsequent fiscal year.

(5) Any balance remaining unexpended at the end of a fiscal year in the capital outlay fund shall not revert to the lottery for education account or the general fund but shall be carried forward into the subsequent fiscal year.

(c)

(1) The comptroller of the treasury shall develop and implement a lottery funded capital outlay grant program for high growth rate school districts. The comptroller shall establish criteria for such grants. The comptroller shall award such grants from funds then available in the capital outlay fund to qualified applicants.

(2) For the purposes of this section, "high growth rate school district" means a school district that has experienced a two percent (2%) or greater annual increase in K-12 student population over the three (3) school-year period immediately proceeding application for a capital outlay grant.

(3) All grant recipients are subject to audit by the comptroller of the treasury as to the funds received pursuant to this section.

SECTION 2. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 3. The comptroller of the treasury shall promulgate rules and regulations to effectuate the provisions of this act.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.